

Annual General Meeting - 26th October 2010







































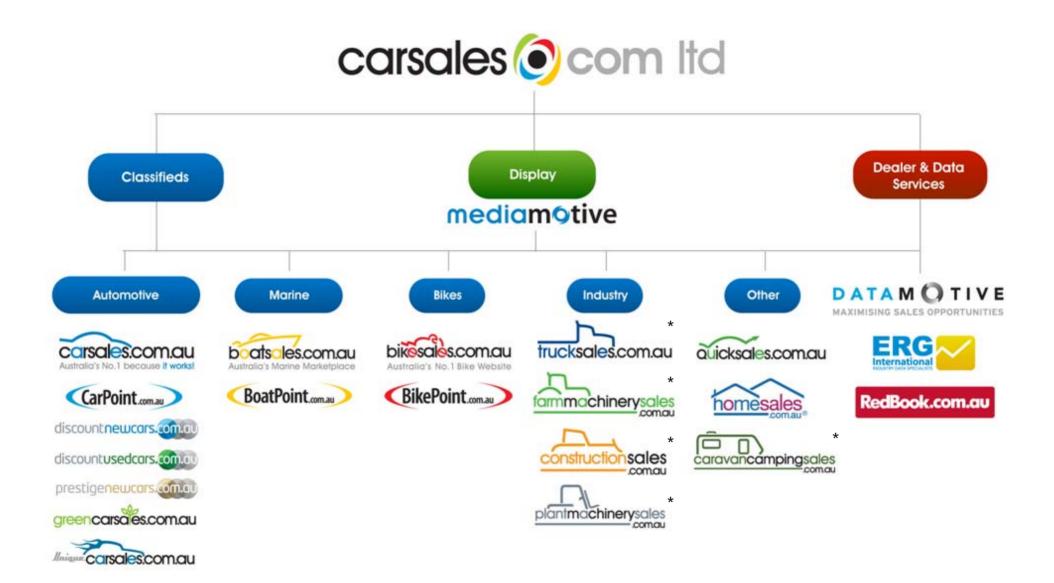






INTRODUCTION





^{*} Denotes new brands since 30 June 2010



Performance Update & Outlook



























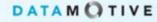




















Operational Performance

- Strong automotive enquiry volumes up 28% on pcp.
- Strong double digit automotive private ad volume growth on pcp.
- Automotive inventory reaches 200,000 cars online. Average time to sell reduced slightly over the year.
- New car inventory grew by over 60% on pcp.
- Robust second half display advertising conditions, with Mediamotive growing 31% on pcp for the full year.
- Solid growth performances from all other non automotive verticals.
- Continued delivery of new product.

Market Dynamics

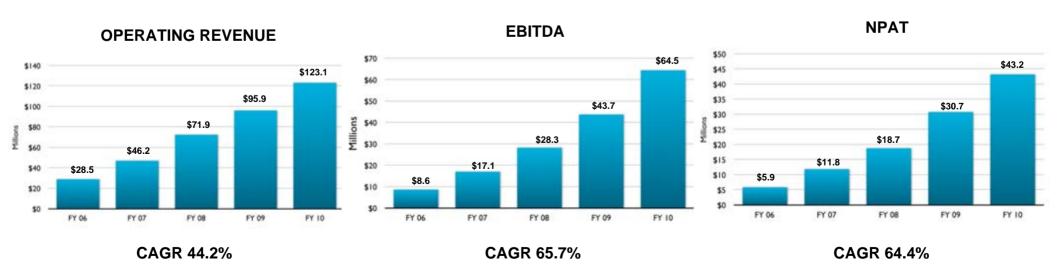
- Under 1 million new cars sold in calendar 2009, but 2010 in better shape. Record June sales of 108,722 vehicles*
- Mobile beginning to see some scale with the strong take up of new devices.
- Continued clear leader by all metrics.
- Migration of revenue from print to online continued through out the year, particularly with the closing of Trading Post print edition.





- Robust Operating Revenue growth to \$123.1m, up 28% on pcp.
- EBITDA up 48% on pcp to \$64.5m, with EBITDA margins expanding from 46% to 52%
- Operating cashflow of \$50.4m, up 54% on pcp
- Full Year EPS of 18.6 cents per share, up 40% on pcp (H2 FY2010 10.4 cents up 33% on pcp)
- Final FY2010 dividend of 8.3 cents per share declared (H2 FY2009 7.8 cents per share)
- Completely paid down the 30 Jun 2009 long term interest bearing liability of \$18.7m
- Capex spend in line with Prospectus forecast of \$2.1m
- Headcount rose from 255 to 300 full time equivalents

	\$A Millions		Growth	
Full Year Ending 30 June 2010	FY2009	FY2010	\$'s	%
Operating Revenue				
Online Advertising	82.9	107.7	24.8	30%
Data & Research	13.0	15.4	2.4	18%
Total Operating Revenue	95.9	123.1	27.2	28%
Operating Expenses	52.2	58.6	6.4	12%
EBITDA	43.7	64.5	20.8	48%
EBITDA Margin	46%	52%		
D&A	2.1	2.3	0.2	10%
EBIT	41.6	62.2	20.6	50%
Net Interest Expense	0.7	0.2	(0.5)	(71%)
Profit Before Tax	40.9	62.0	21.1	52%
Income Tax Expense	10.2	18.8	8.6	84%
Net Profit After Tax	30.7	43.2	12.5	41%

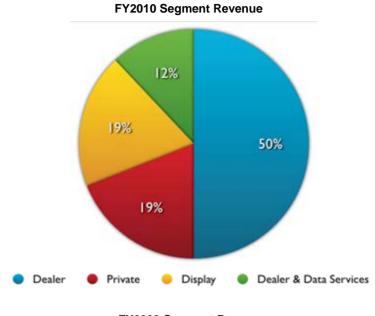


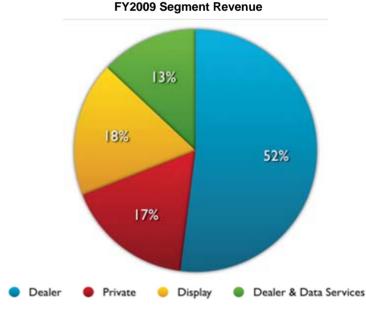


Revenue Segment Performance

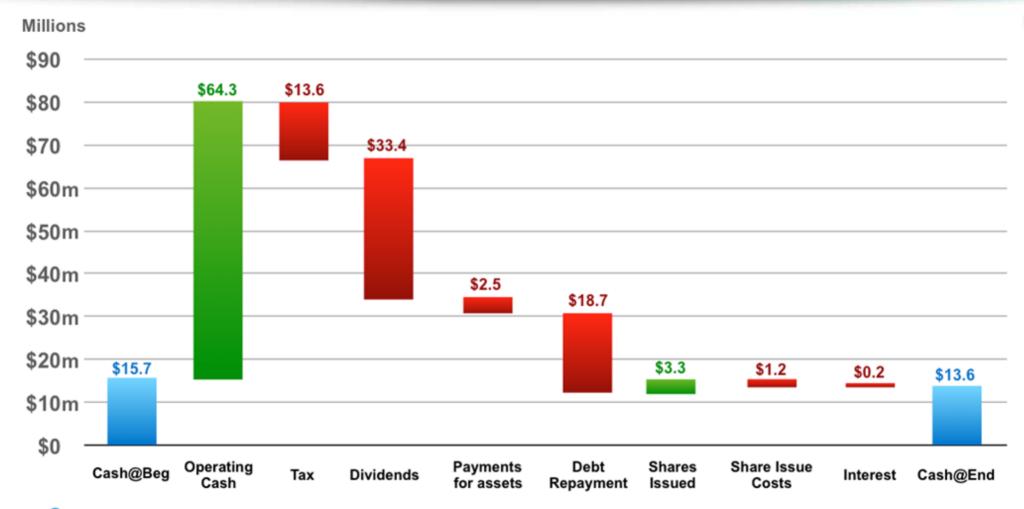
	\$A Mi	\$A Millions		Growth	
Full Year Ending 30 June 2010	FY2009	FY2010	\$'s	%	
Operating Revenue					
Dealer	49.4	61.8	12.4	25%	
Private	16.5	23.6	7.1	43%	
Display	17.0	22.3	5.3	31%	
Dealer & Data Services	13.0	15.4	2.4	18%	
Total Operating Revenue	95.9	123.1	27.2	28%	

- Consistent market conditions for Dealer continued throughout H2, with enquiry volumes remaining strong.
- Private performed exceptionally well driven by solid volume growth particularly in H2 and across all verticals.
- Improved market conditions for display advertising in H2 along with ongoing continual enhancement of our internal capability, meant that we were able to grow our display revenue at over 50% in the second half compared to 9% in the first half.
- Dealer and Data services continued to perform well enhanced by new product releases such as LiveMarket which performed above expectations.









- Capex in line with Prospectus forecast
- Repaid all long term debt
- Dividend payout ratio at 80% of Net Profit After Tax
- Shares Issued reflect options exercised and 350,000 shares issued on ASX listing
- Share Issue cost reflects the capitalised cost of the ASX listing

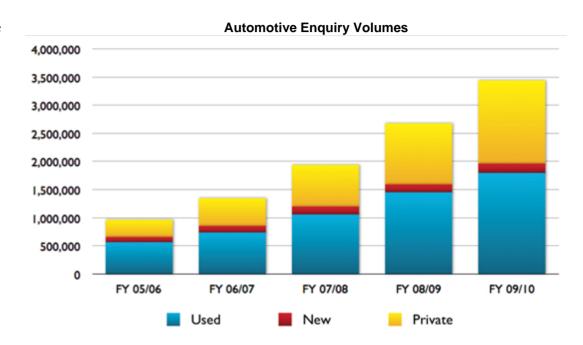


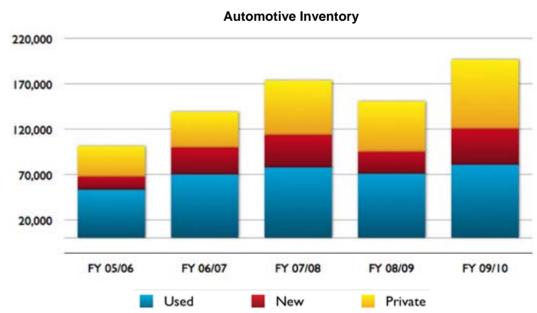


- Pleasing automotive enquiry volume growth of 28% on pcp
- Dealer enquiry growth performed well with used volumes growing slightly faster than new.
- Overall H2 FY2010 lead volume growth remained robust but as projected the comparative growth on pcp was lower in H2 as a result of significant changes made to carsales.com.au in H2 FY2009.
- Robust growth in private enquiry volumes continued throughout the year.



- New car inventory volumes grew 63% on pcp, as manufacturer production levels improved and flowed through to dealer stocking, the impacts of Clarity in Pricing became clearer to the trade, demand for new cars improved and increased focus of the sales force on new car dealer acquisition.
- Private and dealer used inventory grew by 37% and 15% on pcp respectively.





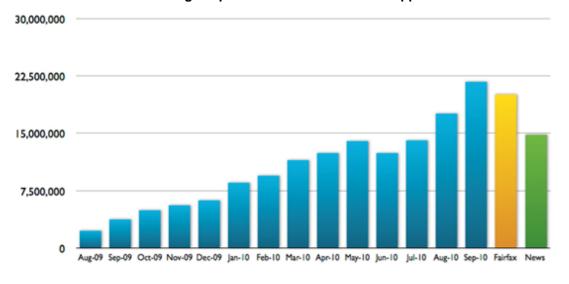
Source: Carsales



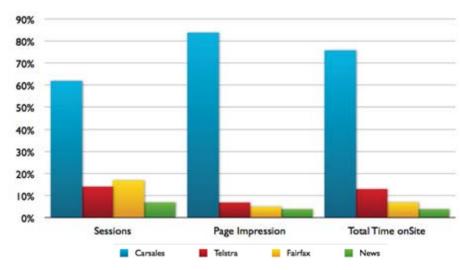


- Clear leadership in consumer traffic extended throughout the past 12 months to 30 June 2010*:
- 75% of all time spent looking at automotive classified websites was done on a carsales owned site.
- carsales Total Time on Site at a publisher level up 22% on pcp, and Page Impressions up 16% on pcp, again demonstrating the continued strength of consumer preference.
- Page Impressions generated in September 2010 on the .mobi and iPhone applications were greater than those generated by both Fairfax and News Corp Automotive Ad Networks desktop sites (see the chart below).

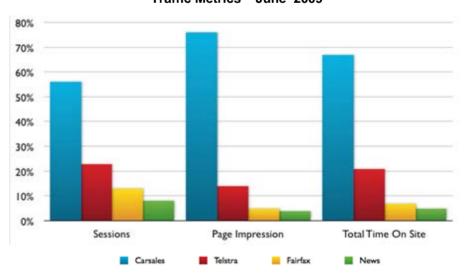
Page Impressions - Mobi & iPhone Apps**



Traffic Metrics - September 2010*



Traffic Metrics - June 2009*



^{*} Source: Nielsen Online Market Intelligence, Automotive Ad Networks, June 2010 & June 2009

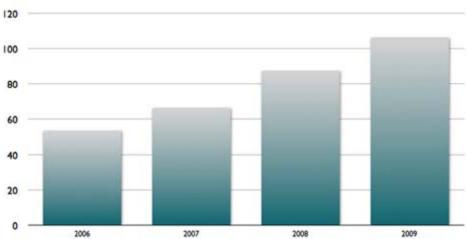
^{**} Source Nielsen Online Site Census, Google Analytics, Nielsen Online Market Intelligence, Automotive Ad Networks (Fairfax & News only) August 2009 to September 2010.

carsales com Ita Industry Landscape – Automotive Classifieds

Online Automotive Classifieds Market Share by Revenue (CY08 & CY09)



Online Automotive Classifieds Market Size by Revenue \$ Millions

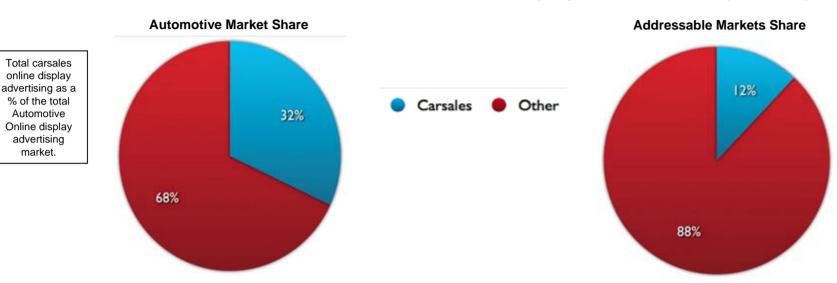


Our market share continues to expand as the market continues to grow

Source: Frost & Sullivan - Calendar years 2006, 2007, 2008 and 2009. Revenue apportioned to online segment of print focussed businesses are estimates only. Automotive classification includes bikes

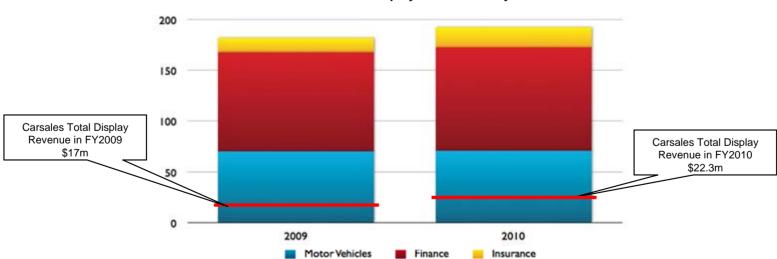


Online Automotive & Addressable Display Market Share (FY2010)



Total carsales online display advertising as a % of the total Automotive, Finance & Insurance Online display advertising market.

Addressable & Automotive Online Display Market Size by Revenue \$ Millions



We have a big opportunity in display with plenty of growth potential





Trading Conditions Update

- Private ad volumes consistent throughout the first quarter of FY 2011 despite the price increase from the 2nd of September on automotive standard ad's from \$50 to \$60 per ad.
- In line with other mainstream media markets, display advertising conditions have remained buoyant overall and we expect strong H1 pcp growth given the relative weakness of H1 FY 2010.
- Dealer is performing in line with internal expectations. New car dealer acquisition is going well and will be further supported by new product expected to be launched in Q2 FY2011.
- Dealer and Data services have shown moderate growth throughout the first quarter. Livemarket customer acquisition remaining solid.
- Capex spend to remain at FY2010 levels of ~\$2.5m.
- Continue the evolution of the non automotive market with the launch of a number of new industry sites.

Ongoing focus on new car dealer customer and inventory acquisition.

- Continue to aggressively develop and extend existing product offerings particularly in dealer and private over the next twelve months.
- New channels such as mobile will continue to evolve and grow as will our product offerings.
- Further investment in headcount to support product development and growth, particularly in the areas
 of sales and technology.
- Leverage the Oztion acquisition with current business assets in the general classifieds and ecommerce market.

Areas of Operational Focus in FY2010



New Products Released Since Jul 1 2010



















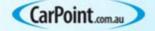
















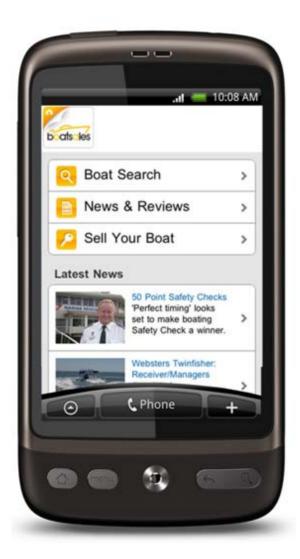


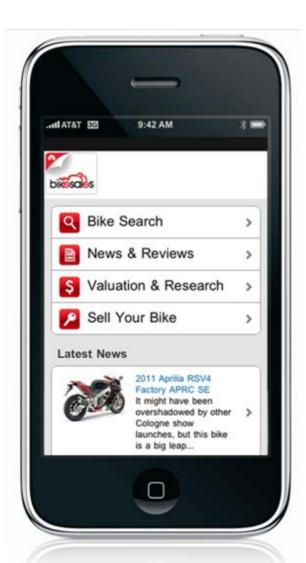






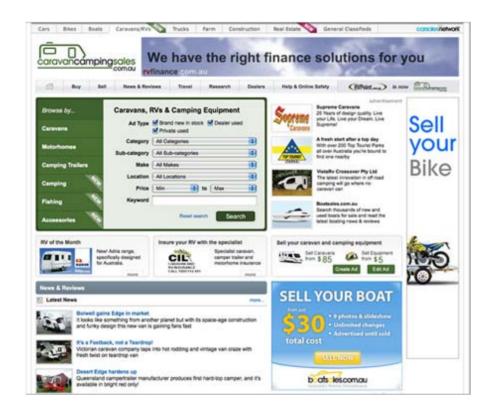










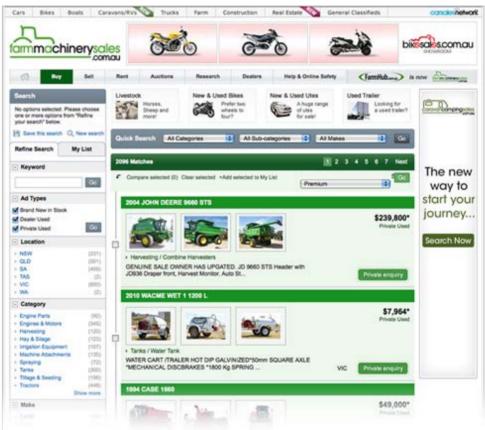






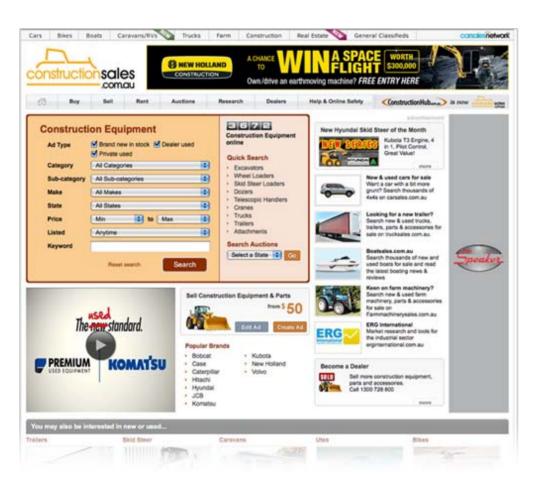


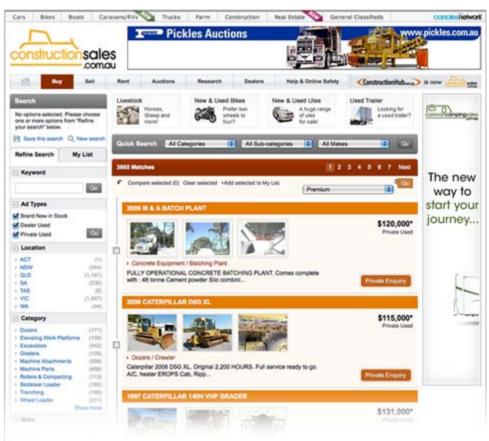








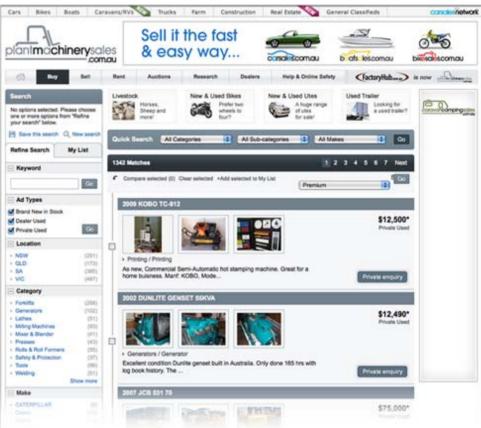








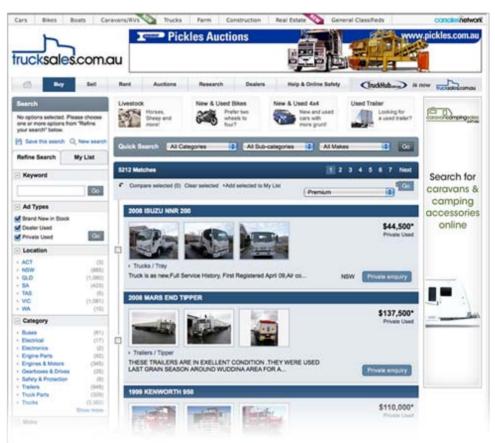




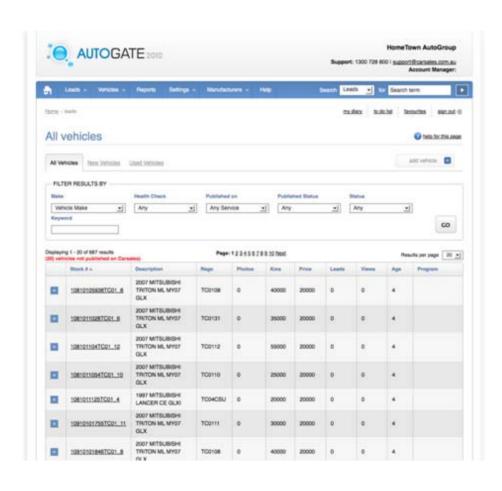


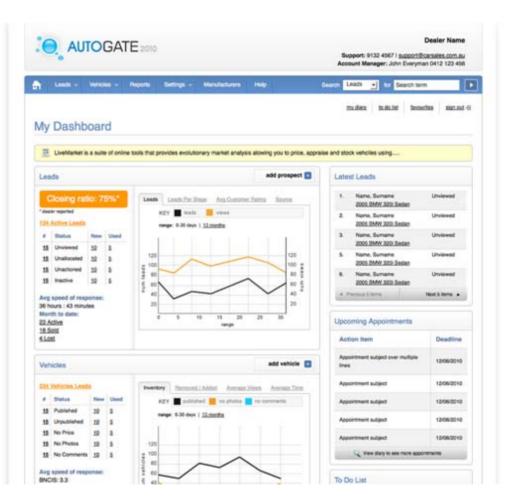




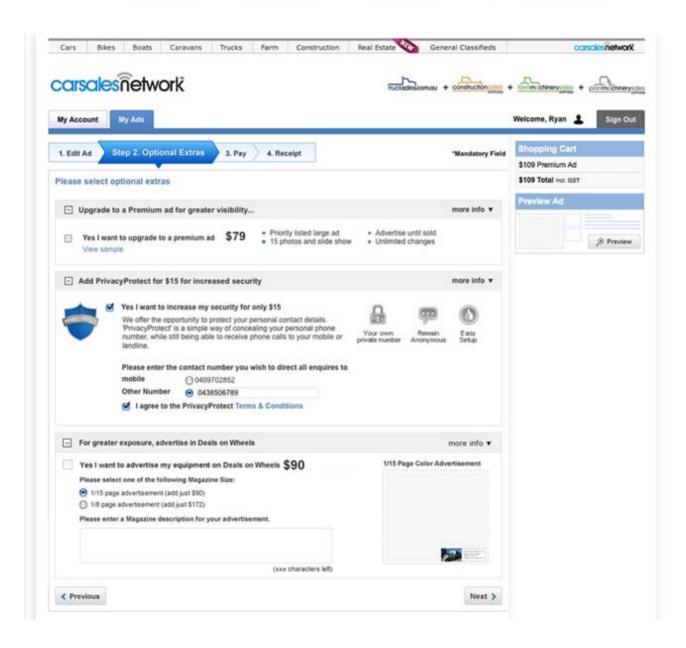


























Marketing Initiatives



























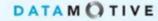
















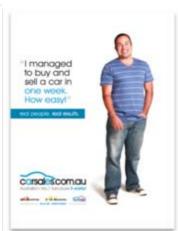




Print

Wheels, Motor, Top Gear, BRW, Mother and Baby, Unique Cars...







Events

Television

Launch of our new TVCs focusing on 'real people, real results'.

Media: Free to Air, Subscription & **Sponsorships**







Outdoor

MCG, Etihad Stadium, Large Format, Buses & Trams, Regional Taxi Tops







iPhone & iPad Application Sponsorships

~400,000 iPhone/iPad AFL & NRL Downloads



SEO and SEM



Social Media







Newsletters

Partnerships

Inventory additionally appears on these websites...













Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report that forms part of the directors' report of the Company for the financial year ended 20 June 2010 be adopted."

Proxies

In respect of this item of business, the following proxies have been received:

o in favour 176,906,721

o against 874,531

o open / undirected 2,349,553

abstained 1,734,219



Re-Election of Adrian MacKenzie as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Adrian MacKenzie, being a Director of the Company who retires by rotation, and being eligible under the Company's constitution, is reelected as a Director of the Company."

Proxies

In respect of this item of business, the following proxies have been received:

o in favour 167,229,315

o against 10,661,067

o open / undirected 2,350,003

o abstained 1,624,639



Appointment of Kim Anderson as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Ms Kim Anderson, having been appointed by the Directors as a Director of the Company on 16 June 2010, and being eligible under the Company's constitution, is approved as a Director of the Company."

Proxies

In respect of this item of business, the following proxies have been received:

o in favour 179,297,104

o against 146,217

o open / undirected 2,350,703

o abstained 71,000



Appointment of Graham Brooke as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Graham Brooke, having been appointed by the Directors as a Director of the Company on 16 June 2010, and being eligible under the Company's constitution, is approved as a Director of the Company."

Proxies

In respect of this item of business, the following proxies have been received:

o in favour 176,810,489

o against 2,356,765

o open / undirected 2,350,003

o abstained 347,767



Amendment to Constitution: Dividends

To consider and, if thought fit, pass the following resolution as a special resolution:

"That Articles 27, 28 and 29 of the Constitution of the Company be amended as set out in the Notice of Annual General Meeting dated 21 September, 2010."

Proxies

In respect of this item of business, the following proxies have been received:

o in favour 179,364,969

o against 105,362

o open / undirected 2,340,493

o abstained 54,200



Grant of Options to Managing Director

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be and is hereby given to the grant of 500,000 options over shares in the Company to Mr Greg Roebuck, exercisable at \$4.90 each, in accordance with the Company's Share Option Plan and the Company's long term incentive arrangements as set out in the Explanatory Memorandum accompanying the Notice of Annual General Meeting dated 21 September, 2010."

Proxies

In respect of this item of business, the following proxies have been received:

o in favour 174,068,256

o against 1,028,823

o open / undirected 2,277,843

o abstained 1,070,206



We thank you for your attendance today.